

STORMWATER LOCAL ASSISTANCE FUND PROGRAM GUIDELINES

December 2016

STORMWATER LOCAL ASSISTANCE FUND - ENABLING LEGISLATION

In order to reduce non-point source pollution from stormwater runoff, the Virginia General Assembly included Item 360 in Chapter 860 of the Acts of Assembly (the Commonwealth's 2013-2014 Budget) which created and set forth specific parameters for the administration of the Stormwater Local Assistance Fund (SLAF). With the consolidation of water quality programs with the State Water Control Board (SWCB) through HB 2048 (2013) and SB 1279 (2013), administration of the SLAF resides with the SWCB and the Department of Environmental Quality (DEQ).

The following is the text of Item 360:

N.1. There is hereby established in the state treasury a special nonreverting fund to be known as the Stormwater Local Assistance Fund, hereby referred to as the "Fund." The Fund shall be established on the books of the State Comptroller and shall consist of bond proceeds from bonds authorized by the General Assembly and issued pursuant to Item C-39.40 of this act, sums appropriated to it by the General Assembly and other grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on the moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

2. The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet: i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements; ii) requirements for local impaired stream TMDLs; iii) water quality requirements of the Chesapeake Bay Watershed Implementation Plan (WIP); and iv) water quality requirements related to the permitting of small municipal stormwater sewer systems. The grants shall be used solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration.

3. The Virginia Soil and Water Conservation Board shall issue guidelines for the distribution of moneys from the Fund. The process for development of guidelines shall, at a minimum, include (a) a 60-day public comment period on the draft guidelines; (b) written responses to all comments received; and (c) notice of the availability of draft guidelines and final guidelines to all who request such notice.

O. The grants shall be used solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the Virginia Soil and Water Conservation Board under the authority of the Department of Conservation and Recreation.

DEQ's Clean Water Financing and Assistance Program, on behalf of the SWCB, has developed these guidelines and will administer the Stormwater Local Assistance Fund (SLAF). These Guidelines and the grant agreements awarding funds from the SLAF are supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and do not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the State Water Control Board, the Department of Environmental Quality (DEQ), or the Director of DEQ.

GRANT APPLICATION / AWARD PROCESS

Applications for SLAF grants will be solicited once each year that a state appropriation is available. The completed application form and all necessary support documentation should be mailed to:

**Clean Water Financing and Assistance Program
Department of Environmental Quality
629 East Main Street
P.O. Box 1105
Richmond, Virginia 23218**

Applications will be reviewed and ranked in accordance with the priority ranking criteria provided in these guidelines. Based on that ranking process and with consideration to providing the greatest financial and environmental benefit to as many communities as practicable, the DEQ Director will authorize a project funding list. The authorized funding list (including recipient name, grant amount, and priority point totals) will be posted on the DEQ website. DEQ will then issue Letters of Commitment to all recipients on the authorized project funding list so that they may proceed with their projects with the certainty of a funding commitment. DEQ staff will work with the authorized grant recipients as they complete the program requirements and advertise for construction bids.

Upon approval of all program requirements, the receipt of construction bids, and the development and approval of a final project budget based on as-bid or contractual costs, a grant will be awarded. In the case where a grantee has multiple projects, SLAF will execute one grant agreement per project.

While there will be no guarantee of additional funding above the original authorization, pending available resources, DEQ will address reasonable cost overruns after the receipt of construction bids.

ELIGIBLE APPLICANTS

Local governments, meaning any county, city, town, municipal corporation, authority, district, commission, or political subdivision created by the General Assembly or pursuant to the Constitution or laws of the Commonwealth, are eligible to apply for cost-share from the SLAF.

ELIGIBLE PROJECTS

Capital projects for reducing and treating stormwater runoff as identified in Attachment A.

The Stormwater Local Assistance Fund has been authorized in Chapter 780 Item 370 (C) (D) (effective July 1, 2017) to fund the purchase of non-point source nutrient credits. The purchase of non-point source nutrient

credits will be eligible only in funding cycles where the appropriation language does not preclude its eligibility. Only permanent non-point source nutrient credits that have been certified by DEQ will be considered eligible for SLAF funding. Funding for the purchase of certified non-point source nutrient credits will be limited to no more than 25% of available funds in a given funding cycle.

The DEQ Director reserves the right to set a maximum allowed cost per pound of Total Phosphorous (TP) removed (or purchased) based on the pool of applications received during any given funding cycle.

GRANT PERCENTAGE

The Director of the Department of Environmental Quality will authorize grants in the amount of 50% of the eligible costs of planning, design, and installation of stormwater best management practices. The recipient must be able to demonstrate the availability of the 50% local match. The Virginia Clean Water Revolving Loan Fund can be used as a source for the local match under the guidelines issued for that program.

ALLOWABLE GRANT AMOUNT

The minimum grant amount per local government is \$50,000 and the maximum grant amount per local government is \$5,000,000. This means that a locality must have at least \$100,000 in eligible project costs to be considered and any locality that exceeds \$10,000,000 in eligible project costs will receive no more than \$5,000,000.

GRANT ELIGIBLE EXPENSES

The SLAF program allows for any reasonable and necessary costs associated with the stormwater management project, including all associated planning, design, permitting, inspection, and construction costs. Grant proposals must be supported by a need which addresses an existing stormwater pollution problem or prevents a future environmental problem due to stormwater runoff. Grant requests received which are solely supported by the economic development needs of an area or an entity may be excluded from funding participation. DEQ may reduce grant eligibility and/or the scope and size of a project to ensure the greatest financial and environmental benefit to as many communities as possible. Only projects which started construction on or after July 1, 2016 will be considered eligible for funding. Planning and design expenses incurred on an approved project prior to the execution of a grant agreement are eligible costs provided they are necessary and directly attributable to the project and any services or contracts are secured in accordance with State procurement requirements. Professional services (planning, design, and construction oversight) expenses are limited to 35% of construction costs. If the total cost of professional services expenses exceed 35% of the construction costs the project will still be eligible for funding but DEQ will limit its 50% cost share participation in these services to no more than 35% of the construction cost.

INELIGIBLE GRANT COSTS

The following expenses cannot be included when determining the allowable amount of a SLAF grant:

1. Salaries and other expenses of municipal employees are not allowable expenses for reimbursement under the program. In addition, the cost of Force Account Labor is ineligible.
2. Administrative costs such as supplies, rent, grant administration, and/or travel.
3. Changes in the approved project scope without DEQ concurrence.

4. Change orders not attributable to the stormwater project or involving duplication of effort or work.
5. Any cost or expenditure that is determined to be unnecessary and/or unreasonable.
6. Costs to operate or maintain the project.
7. Any interest costs associated with funds borrowed for the planning, design, or construction of the project.
8. Costs associated with post-construction monitoring of the project.

REIMBURSEMENT

Disbursement of grant funds will be made on a periodic reimbursement basis. Invoices must be submitted which fully substantiate all requests for disbursement of grant funds. All reimbursement requests must be reviewed and approved by DEQ staff prior to actual disbursement of funds. An original signed reimbursement request must be submitted to DEQ's Clean Water Financing and Assistance Program and one copy submitted to the appropriate DEQ regional office.

PROGRAM REQUIREMENTS

The following requirements are applicable to all projects funded through the Stormwater Local Assistance Fund:

1. Procurement of all funded goods/services must be made in conformance with the requirements of the Virginia Public Procurement Act, regardless of population size. DEQ will allow certification of engineering and/or construction procurement in order to streamline submittals.
2. When SLAF is participating in land acquisition costs, the grantee must submit copies of the basic administrative reports and/or appraisals to substantiate the value of the land being purchased.
3. Stormwater best management practices (BMPs) listed on the Virginia Stormwater BMP Clearinghouse website shall be designed and constructed in accordance with all applicable standards and specifications provided by the Virginia Stormwater BMP Clearinghouse. Stormwater management facilities accepted for use by the USEPA Chesapeake Bay Program shall be designed and constructed in accordance with all applicable standards and specifications provided by the Chesapeake Bay Program. If the BMP is a retrofit that cannot fully meet the applicable design specifications, then it must meet them to the degree feasible, given space constraints and other limitations. However, cost should not be a limiting factor.
4. Provisions for the long-term responsibility and maintenance of the stormwater management facilities and other techniques specified to manage the quantity and quality of runoff, including an inspection and maintenance schedule, shall be developed and implemented for all projects funded through the SLAF. These provisions shall include, at a minimum, a description of the requirements for maintenance of the stormwater management facilities, a recommended schedule of inspection and maintenance, and the identification of a person or persons who will be responsible for maintenance. Long-term responsibility and maintenance requirements for stormwater management facilities located on private property shall be set forth in an instrument recorded in the local land records and shall be consistent with 9VAC25-870-112 of the Virginia Stormwater Management Program (VSMP) Permit Regulations.
5. For the purchase of certified non-point source nutrient credits, DEQ will require a purchase contract.

PRIORITY RANKING CRITERIA

DEQ will prioritize applications for grant assistance on a statewide basis. Stormwater projects or non-point source nutrient credit purchases which are expected to provide the greatest water quality benefit will be given the highest funding priority.

HIGHEST TOTAL POSSIBLE SCORE = 600 PTS

I. POLLUTANT REDUCTION (MAXIMUM 100 points)

Points will be based on the calculated reduction of total phosphorous (TP) as a result of the proposed project. TP is the representative pollutant for stormwater in the Commonwealth and serves as a surrogate for other pollutants of concern. The established methodology for calculating the TP reduction for stormwater management projects is outlined in Attachment A. For the purchase of non-point source nutrient credits, the number of pounds of TP proposed for purchase will be the pollutant reduction amount.

II. COST EFFECTIVENESS (MAXIMUM 200 points)

Points will be based on the projected cost of the project divided by the calculated amount of TP reduction or the proposed pounds of TP to be purchased for non-point source nutrient credits.

III. IMPAIRED WATER BODIES (MAXIMUM 100 points)

Points will be based on the location and impact of the proposed project in relation to priority water bodies in the state. **Note: These categories (a – b) are additive.**

a. Project is directly related to the requirements of the Chesapeake Bay TMDL 60 pts.

b. Project is directly related to requirements of a local impaired stream TMDL 40 pts.

or

Project is directly related to a local impaired stream without a TMDL 20 pts.

IV. FISCAL STRESS-(COLG Composite Stress Index) (MAXIMUM 75 points)

50 of the points for county and city applicants will be based on the latest available Commission on Local Government composite fiscal stress index. Town applicants will be assigned the points of the surrounding county. Any applicant with a project serving more than one jurisdiction (such as public service authorities or towns located in two counties) will be assigned a weighted average from the component scores. An additional 25 points will be awarded to applicants that have established a dedicated local funding/revenue mechanism for stormwater capital projects.

V. READINESS TO PROCEED (MAXIMUM 100 points)

Because it is important that grant recipients proceed quickly with their proposed projects, applicants that can proceed immediately with their proposed projects, or demonstrate an advanced state of readiness, will be given the highest points under this category.

Stormwater Management Projects:

Final design plans approved by the locality	75 pts.
Design plans submitted and under review by the locality	70 pts.
Preliminary / Concept engineering completed	55 pts.
Executed engineering contract with approved task order and notice to proceed issued for this project	40 pts.
Project included in <u>current year</u> Capital Improvement Plan	25 pts.
Project identified in Comprehensive Stormwater Management plan, Watershed Management Plan, or TMDL Action Plan	15 pts.

An additional 15 points will be awarded if all funding is in place for the local match and another 10 points will be awarded if land and easements necessary for the project have already been acquired or if land and easement acquisitions are not required.

Non-Point Source Nutrient Credit Purchases:

Applicant has signed a contract with a bank to purchase a number of non-point source nutrient credits for a specific cost and are immediately available	75 pts.
Applicant has signed a contract with a bank to purchase a number of non-point source nutrient credits for a specific cost and are available within 6 months.	60 pts.
Written contract with a bank has been drafted for the purchase of non-point source nutrient credits	40 pts.
Applicant has obtained written proposal(s) for the purchase of non-point source nutrient credits	25 pts.

An additional 25 points will be awarded if all funding is in place for the local match.

VI. PHASE II (SMALL) MS4 (MAXIMUM 25 points)

Applicants that are regulated under the General Permit for the Discharge of Stormwater from Small Municipal Separate Storm Sewer Systems will receive 25 points.

Attachment A

METHODOLOGY FOR CALCULATING TOTAL PHOSPHORUS REDUCTION

For the purpose of determining pollution reduction rankings, applicants shall submit expected reductions of Total Phosphorus (TP) only. This shall be calculated as follows:

- 1) For Virginia BMP Clearinghouse BMPs, USEPA Chesapeake Bay Program BMPs, and BMP retrofits:
 - a) **Initial TP loads** (in pounds) shall be calculated on the Site Data tab of the Virginia Runoff Reduction Method Spreadsheet (Version 3.0, April 2016; 2011 or 2013 BMP Stds & Specs). Instructions for using the Spreadsheet can be found in Guidance Memo No. 16-2001 *Virginia Runoff Reduction Method Compliance Spreadsheet User's Guide & Documentation* (April 2016).
 - b) **TP load reductions** (in pounds) shall be determined using the following methods, as specified:
 - i) If the proposed BMP is on the Attachment A list, then the TP load reduction shall be calculated using the TP removal efficiency assigned to the selected BMP in the table.
 - ii) If the BMP being installed, enhanced, or converted cannot fully meet the design specifications for an Attachment A BMP, then the TP load reduction shall be determined using the retrofit equations or performance curves developed in the *Recommendations of the Expert Panel to Define Removal Rates for Urban Stormwater Retrofit Projects* (January 2015), on the Chesapeake Bay Program website at: http://chesapeakebay.net/documents/Final-CBP-Approved-Expert-Panel-Report-on-Stormwater-Retrofits-long_012015.pdf
- 2) If the project constitutes a land use change (e.g., planting trees where impervious surface once existed, etc.), the initial TP load shall be calculated as directed in paragraph 1a above. The reduction shall be calculated using the Site Data tab of the Virginia Runoff Reduction Method Spreadsheet. The initial TP load calculated using this tab of the Spreadsheet shall be compared to the TP load calculated after reflecting the changes in the land cover cells.
- 3) TP load reduction for Urban Stream Restoration projects shall be determined by using the interim default rate of 0.068 pounds/linear foot or the Protocols defined in the *Recommendations of the Expert Panel to Define Removal Rates for Individual Stream Restoration Projects* (September 2014) on the Chesapeake Bay Program website at:
http://chesapeakebay.net/documents/Stream_Panel_Report_Final_08282014_Appendices_A_G.pdf
TP load reduction for Dry Channel Regenerative Stormwater Conveyance projects shall be determined by using Protocol 4 in the above listed document. Additionally, applications for stream restoration projects must include a written description of the site selection process for the project including documentation (i.e. Rosgen stream channel classification, watershed study, conceptual design plans, etc.) and photographs of the reach of stream to be restored.
- 4) TP load reduction for Shoreline Management projects shall be determined by using the Protocols defined in the *Recommendations of the Expert Panel to Define Removal Rates for Shoreline Management Project* (July 2015) on the Chesapeake Bay Program website at:
http://www.chesapeakebay.net/documents/Shoreline_Management_Protocols_Final_Approved_07132015-WQGIT-approved.pdf
- 5) If an applicant proposes to enhance or convert an existing pond or other BMP that was in place on or before June 30, 2009 (the baseline date for the Chesapeake Bay TMDL load allocations), only the incremental increase in pollution treatment capacity will be eligible for scoring for this grant process. Proposals to increase the treatment capacity of a BMP that was lost due to lack of routine maintenance being performed will not be eligible for grant funds.

Virginia Stormwater BMP Clearinghouse Non-Proprietary BMPs		
BMP Clearinghouse Specification #	Practice	Total Phosphorus Mass Load Removal (TR, as %)
2	Sheetflow to Conservation Area	50 to 75 ¹
	Sheetflow to Vegetated Filter Strip	50
3	Grass Channel	24 to 41 ¹
5	Vegetated Roof Level 1	45
	Vegetated Roof Level 2	60
7	Permeable Pavement Level 1	59
	Permeable Pavement Level 2	81
8	Infiltration Level 1	63
	Infiltration Level 2	93
9	Bioretention Level 1	55
	Bioretention Level 2	90
	Urban Bioretention	55
10	Dry Swale Level 1	52
	Dry Swale Level 2	76
11	Wet Swale Level 1	20
	Wet Swale Level 2	40
12	Filtering Practice Level 1	60
	Filtering Practice Level 2	65
13	Constructed Wetland Level 1	50
	Constructed Wetland Level 2	75
14	Wet Pond Level 1	50 (45 for coastal plain) ²
	Wet Pond Level 2	75 (65 for coastal plain) ²
15	Extended Detention Pond Level 1	15
	Extended Detention Pond Level 2	31
Virginia Stormwater BMP Clearinghouse Proprietary Devices		
Device Type	Device Name	Total Phosphorus Mass Load Removal (TR, as %)
Hydrodynamic Manufactured Devices	Aqua-Swirl Stormwater Treatment System	20
	BaySeparator	20
	Continuous Deflective Separator (CDS)	20
	Downstream Defender	20
	Dual Vortex Separator (DVS)	20
	First Defense	20
	Hydroguard	20
	Stormceptor MAX	20
	Stormceptor OSR	20
	Stormceptor STC	20
	StormPro	20
	Storm Water Quality Unit	20
	Terre Kleen Hydrodynamic Separator	20
	V2B1	20
	The Vortechs System	20
	CrystalClean Separator – Single Vault	25

Virginia Stormwater BMP Clearinghouse Proprietary Devices		
Device Type	Device Name	Total Phosphorus Mass Load Removal (TR, as %)
Filtering Manufactured Devices	Aqua Filter Stormwater Filtration System	40
	StormTech Isolator Row	40
	Up-Flo Filter with CPZ Media	40
	The Stormwater Management Stormfilter with ZPG Media	45
	BayFilter Stormwater Cartridge System	50
	Filtrerra Bioretention Systems	50
	Jellyfish Filter	50
	Modular Wetland System Linear (MWS-Linear)	50
	Perk Filter	50
	The Stormwater Management StormFilter with Phosphosorb media	50
Chesapeake Bay Program BMPs, Established Efficiencies		
Practice		Total Phosphorus Mass Load Removal (TR, as %)
Wet Ponds and Wetlands		45
Dry Detention Ponds and Hydrodynamic Structures		10
Dry Extended Detention Ponds		20
Infiltration Practices w/o Sand, Veg.		85
Infiltration Practices w/ Sand, Veg.		85
Filtering Practices		60
Bioretention C/D soils, underdrain		45
Bioretention A/B soils, underdrain		75
Bioretention, A/B soils, no underdrain		85
Vegetated Open Channels, C/D soils, no underdrain		10
Vegetated Open Channels, A/B soils, no underdrain		45
Bioswale		75
Permeable Pavement w/o Sand, Veg. C/D soils, underdrain		20
Permeable Pavement w/o Sand, Veg. A/B soils, underdrain		50
Permeable Pavement w/o Sand, Veg. A/B soils, no underdrain		80
Permeable Pavement w/ Sand, Veg. C/D soils, underdrain		20
Permeable Pavement w/ Sand, Veg. A/B soils, underdrain		50
Permeable Pavement w/ Sand, Veg. A/B soils, no underdrain		80
Chesapeake Bay Program BMPs Hydrogeomorphic Region Impacted Efficiencies		
Practice	Hydrogeomorphic Region(s)	Total Phosphorus Mass Load Removal (TR, as %)
Wetland Restoration	Appalachian Plateau Siliciclastic	12
Wetland Restoration	Coastal Plain Dissected Uplands; Coastal Plain Uplands; Coastal Plain Lowlands	50
Wetland Restoration	Blue Ridge; Mesozoic Lowlands; Piedmont Crystalline; Piedmont Carbonate; Valley and Ridge Siliciclastic; Valley and Ridge Carbonate	26
Notes: ¹ See design specifications for more information. ² Lower nutrient removal in parentheses applies to wet ponds in coastal plain terrain		